

Processed Tomato Products Situation and Outlook in Selected Countries

Production of tomatoes for processing in 11 major producing countries in 2001 is forecast at 21.3 million metric tons, down 6 percent from 2000. The decline was attributed mainly to a 12-percent drop in U.S. output and a 23-percent decline in Eastern Mediterranean countries, with Turkey accounting for the region's largest decline. Production of tomato paste in selected countries, excluding the United States, in 2001/02 is forecast at 1.41 million tons, down 1 percent from last year, due mostly to continued abundant supplies and lower prices. Production of canned tomato pack in selected countries in 2001/02 is forecast at a record 2.32 million tons, up 7 percent due primarily to an expected large increase in Italian output. During this same period, exports of tomato paste from selected countries are forecast at 950,000 tons, down 4 percent from 2000/01, while exports of canned tomato pack are forecast at 991,000 tons, a marginal increase from 2000/01.

Western Hemisphere

In the **United States**, production of processing tomatoes under contract in 2001 is estimated at 8.6 million tons, down 12 percent from 2000. The decline in output is due mainly to a major reduction in area caused by large carryover of stocks and lower wholesale prices for tomato products during the marketing year. California accounts for about 95 percent of the U.S. processing tomato crop. The bulk of U.S. tomatoes for processing is for tomato paste output.

U.S. exports of tomato products (canned tomatoes, tomato paste, ketchup, and tomato sauce) in calendar year 2000 totaled 274,000 tons valued at \$215 million, unchanged in volume and down 5 percent in value from 1999. Canada remained the biggest U.S. customer for tomato paste, sauce and canned tomatoes, while Japan was the top market for U.S. ketchup. U.S. imports of processed tomato products (canned tomatoes, ketchup, tomato paste and sauce) during the same period totaled 79,000 tons valued at \$50 million, down 52 percent in volume and down 57 percent in value from 1999, due mostly to sizeable decreases in paste imports from Chile and Greece.

In **Mexico**, production of tomatoes for processing in 2001 is forecast at 200,000 tons, down 5 percent from an earlier forecast, mainly due to a reduction in planted area. The reduction is attributed to oversupply problems, decreased international demand, and lower world prices. Tomato paste production in Mexico in 2001/02 (March to February) is forecast at 30,000 tons, up 5 percent from the revised volume in 1999. As in previous years, international stocks continue to be very high. In 2001, exports of fresh tomatoes from Mexico to the United States, are expected to total around 690,000 tons, similar to exports of 2000. Winter tomato exports had similar price problems in 2001 as the previous year. During several weeks,

export prices were as low as the U.S. minimum floor price of \$5.27 per 25-pound box. Tomato exports have been significantly reduced in an effort to prevent the price from decreasing below the U.S. minimum floor price.

In **Brazil**, production of tomatoes for processing in 2001 is forecast at 1.25 million tons, up 4 percent from the revised level in the previous year. Marketing, sales, and prices of the 2000 crop were considerably better than during the previous year, encouraging producers to increase acreage and production. Increased success in fighting pests in the Bahia Region should also contribute to the production increase. New higher-yielding tomato varieties are also expected to further boost yields and production. Nearly all of Brazil's processing tomatoes are made into paste. Output of tomato paste in 2001 is forecast at 130,000 tons, up 18 percent from the previous year. The majority of the paste is used in further processing for consumer-ready sauces and other such products.

In **Chile**, output of tomatoes for processing in 2001 is forecast at 750,000 tons, down 13 percent from 2000, due largely to lower-than-expected tomato quality as a result of adverse weather conditions. Tomatoes for processing in Chile are planted from mid-September through December of each year and harvested from January 10 to April 15. Output of tomato paste in 2001 is forecast at 95,000 tons, down 7 percent from 2000. This drop is due in part to the lower-than-expected output of tomatoes for processing.

Mediterranean Area

Production of tomatoes for processing in 2001 in the major producing countries in the European Union (EU) is forecast at 8.8 million tons, about the same as the previous year.

In **Spain**, production of tomatoes for processing in 2001 is forecast at 1.5 million tons, up slightly from 2000. This is due primarily to greater processors' intake due to a higher EU production quota and lower ending stocks of both canned and paste tomatoes in 2000. Canned tomato production for 2001 is forecast at 218,500 tons, up 12 percent from 2000 as a result of higher deliveries of fruit to processors. Spanish production of canned products under the new CAP for processing tomatoes will be located increasingly in the western region of Extremadura, where land and water are abundant. Tomato paste production in 2001 is forecast at 186,600 tons, up 10 percent from the previous year as a result of higher deliveries of fruit to processors, as well. Spain is a net exporter of fresh, canned and other tomato products, with very little market opportunities existing for U.S. exports of these products.

In **Portugal**, output of processed tomato products (mainly tomato paste) in 2001 is expected to be slightly above the 2000 output of 173,354 tons. Production of tomatoes for processing in 2001 is forecast at 966,000 tons, up 13 percent from 2000. Tomato paste production in Portugal in 2001 is forecast at 160,000 tons, up 2 percent from the previous year. Tomato paste exports, accounting for the bulk of Portugal's tomato paste production, are forecast at 130,000 tons, a slight increase from the previous year.

As Portugal is self-sufficient in tomato and tomato products production, there are few opportunities to export U.S. tomato products to Portugal.

In **Greece**, production of tomatoes for processing in 2001 is forecast at 1.29 million tons, up 12 percent from a year ago, due largely to a higher planted area. Production of tomato paste in Greece in 2001 is forecast at 207,000 tons, up 15 percent from 2000, attributed to higher quantity and improved quality of fruit delivered to processors. Canned tomato production in 2001 is forecast at 33,000 tons, down 11 percent from 2000, due mostly to decreased deliveries to processors.

In **Turkey**, production of tomatoes for processing in 2001 is forecast at 1.3 million tons, down 24 percent from the previous year, due mainly to reduced area, caused by the dissatisfaction felt of Turkish farmers with the cash returns received for industrial tomatoes last year. Following last year's large global production of tomato paste and the accompanying lower world prices, and also one of the worst financial crises to hit Turkey in many years, many industrial farmers are shifting to other cash crops such as corn, wheat, and rice. Also, processors in Turkey are cautious about the potentially large output in California and extremely low export prices offered by China, and are not willing to increase their overall production volume this year. Production of tomato paste in 2001 is forecast at 200,000 tons, down 23 percent from 2000, due mostly to increased international competition coming from the United States and China.

In **France**, production of tomatoes for processing in 2001 is forecast at 320,000 tons, up 2 percent from 2000, as a result of the increased production threshold for France set by the reformed EU Common Organization of the Market for fruits and vegetables. Production of tomato paste accounts for the bulk of processed tomatoes in France. In 2001, output of paste is forecast at 44,000 tons, up slightly from the previous year, due mostly to an increase in fruit delivered to processors. Production of canned tomatoes for the same period is forecast at 16,000 tons, also slightly down from 2000. France is a minor producer of processed tomato products and continues to be a net importer of both canned tomatoes and tomato paste. There is almost no trade between the United States and France for these products.

In **Israel**, production of tomatoes for processing in 2001 is forecast at 174,000 tons, down 22 percent from the revised output in 2000. This is due, in most part, to reduced area, high carryover stocks for processed products (canned tomatoes, tomato paste and sauce), and stiff international competition such as in the EU market for these products. In 2001, production of tomato paste in Israel is forecast at 20,880 tons, down 18 percent from the previous year, due mostly to fewer tomato deliveries to processors.

In **Italy**, production of tomatoes for processing in 2001 is forecast at 4.9 million tons, up slightly from the previous year, due to an increased planting area. This is despite a planned EU subsidy cut for the 2001 marketing year. The absence of a national production plan due to poor inter-professional coordination and weak vertical integration in the southern Italian tomato industry (which accounts for around 60 percent of total production of tomatoes for processing) help account for this situation.

(The FAS Attache Report search engine contains reports on Tomatoes and Tomato Products industries for more than 10 countries, including the United States, Italy and Chile. For information on supply and demand, please contact Erik Hansen at (202) 720-0875. For information on marketing issues contact Elizabeth Mello at (202) 720-9903.

Table 1: Production of Processing Tomatoes in Selected Countries

Region/ Country	1996/97	1997/98	1998/99	1999/00	2000/01	2001/02
	Thousand Metric Tons					
North America						
United States	10,350	9,047	8,523	11,416	9,709 1/	8,581 F
Mexico	250	300	290	370	190	200
Total	10,600	9,347	8,813	11,786	9,899	8,781
South America						
Brazil	1,000	950	1,225	1,000	1,200	1,248
Chile	962	912	950	975	940	975
Total	1,962	1,862	2,175	1,975	2,140	2,223
Western Mediterranean						
Italy	4,150	3,520	4,372	4,900	4,810	4,900
Greece	1,350	1,245	1,325	1,350	1,150	1,290
Spain	1,254	981	1,336	1,687	1,382	1,461
Portugal	905	772	988	997	997	855
France	284	286	327	363	314	320
Total	7,038	6,804	8,348	9,297	8,653	8,826
Eastern Mediterranean						
Turkey	1,850	1,080	2,050	2,050	1,700	1,300
Israel	256	176	267	267	223	174
Total	2,106	1,256	2,317	2,317	1,923	1,474
Total Mediterranean	9,144	8,060	10,665	11,614	10,576	10,300
Grand Total	21,706	19,269	21,365	24,230	22,615	21,304

Source: Horticultural and Tropical Products Division, FAS, USDA.

1/ based on contracts

F = forecast based on contract intentions

**Table 2: Canned Tomatoes 1/
Production, Supply, and Distribution in Selected Countries**

Marketing Year 2/	Beginning Stocks	Production	Imports	Supply Distribution	Exports	Domestic Consumption	Ending Stocks
Metric Tons							
Brazil							
1999/00	855	2,300	6,000	9,155	195	8,600	360
2000/01	360	2,600	6,200	9,160	200	8,750	210
2001/02 F	210	2,600	6,200	9,010	200	8,750	60
Chile							
1999/00	457	8,200	0	8,657	5,000	3,300	357
2000/01	357	7,900	0	8,257	4,900	3,000	357
2001/02 F	357	7,900	0	8,257	4,900	3,000	357
France							
1999/00	9,937	21,600	82,312	113,849	5,016	100,000	8,833
2000/01	8,833	16,030	87,000	111,863	5,000	100,000	6,863
2001/02 F	6,863	16,000	85,000	107,863	5,000	100,000	2,863
Greece							
1999/00	1,999	31,800	16,000	49,799	16,000	32,000	1,799
2000/01	1,799	36,900	14,000	52,699	18,000	32,500	2,199
2001/02 F	2,199	33,000	15,000	50,199	17,000	32,500	699
Israel							
1999/00	3,640	24,865	200	28,705	12,500	8,100	8,105
2000/01	8,105	17,824	280	26,209	14,000	8,400	3,809
2001/02 F	3,809	14,400	300	18,509	8,509	8,500	1,500
Italy							
1999/00	113,000	1,984,000	15,000	2,112,000	805,000	890,000	417,000
2000/01	417,000	1,888,000	10,000	2,315,000	880,000	900,000	535,000
2001/02 F	535,000	2,030,000	10,000	2,575,000	900,000	920,000	755,000
Spain							
1999/00	200	232,000	1,830	234,030	57,369	156,661	20,000
2000/01	20,000	195,623	2,817	218,440	54,548	158,000	5,892
2001/02 F	5,892	218,500	2,500	226,892	55,000	162,000	9,892
Total							
1999/00	130,088	2,304,765	121,342	2,556,195	901,080	1,198,661	456,454
2000/01	457,049	2,164,877	120,097	2,742,023	976,743	1,210,800	554,480
2001/02 F	554,480	2,322,400	119,000	2,995,880	990,609	1,234,750	770,521

Source: U.S. Agricultural Attache Reports, FAS/USDA

1/ Includes whole peeled, and/or wedged, diced, crushed, and other non-concentrated products

2/ Marketing Years are July-June with the exception of France's which is August-July, and Brazil's which is May-April.

**Table 3: Tomato Paste
Production, Supply, and Distribution in Selected Countries**

Marketing Year 1/	Beginning Stocks	Production	Imports	Total Supply	Exports	Domestic Consumption	Ending Stocks
Metric Tons, net weight /2							
Brazil							
1999/00	17,449	110,000	500	127,949	1,000	125,350	1,599
2000/01	1,599	130,000	400	131,999	600	126,000	5,399
2001/02 F	5,399	130,000	400	135,799	600	126,000	9,199
Chile							
1999/00	1,363	102,000	0	103,363	87,584	11,710	4,069
2000/01	4,069	95,000	0	99,069	83,000	11,710	4,359
2001/02 F	4,359	95,000	0	99,359	83,000	11,710	4,649
France							
1999/00	6,444	48,100	70,690	125,234	10,174	83,000	32,060
2000/01	32,060	43,000	45,000	120,060	10,000	85,000	25,060
2001/02 F	25,060	44,000	45,000	114,060	10,000	85,000	19,060
Greece							
1999/00	4,000	203,000	4,000	211,000	152,500	15,500	43,000
2000/01	43,000	180,000	3,500	226,500	190,000	15,500	21,000
2001/02 F	21,000	207,000	3,500	231,500	190,000	15,500	26,000
Israel							
1999/00	1,500	35,300	0	36,800	13,980	13,400	9,420
2000/01	9,420	25,510	0	34,930	16,431	13,650	4,849
2001/02 F	4,849	20,880	0	25,729	12,229	12,000	1,500
Italy							
1999/00	118,000	370,000	56,000	544,000	310,000	74,000	160,000
2000/01	160,000	340,000	40,000	540,000	330,000	74,000	136,000
2001/02 F	136,000	340,000	40,000	516,000	340,000	74,000	102,000
Mexico							
1999/00	0	50,700	10,693	61,393	23,645	37,748	0
2000/01	0	28,500	15,000	43,500	7,200	36,300	0
2001/02 F	0	30,000	10,000	40,000	7,500	32,500	0
Portugal							
1999/00	25,000	170,471	0	195,471	122,700	45,121	27,650
2000/01	27,650	155,955	0	183,605	135,000	38,605	10,000
2001/02 F	10,000	160,000	0	170,000	130,000	35,000	5,000
Spain							
1999/00	9,400	191,400	8,100	208,900	60,000	128,000	20,900
2000/01	20,900	169,718	15,058	205,676	75,967	126,000	3,709
2001/02 F	3,709	186,900	20,000	210,609	75,000	128,000	7,609
Turkey							
1999/00	9,673	320,000	0	329,673	190,638	114,000	25,035
2000/01	25,035	260,000	0	285,035	145,000	117,000	23,035
2001/02 F	23,035	200,000	0	223,035	95,000	120,000	8,035
Grand Total							
1999/00	192,829	1,600,971	149,983	1,943,783	972,221	647,829	323,733
2000/01	323,733	1,427,683	118,958	1,870,374	993,198	643,765	233,411
2001/02 F	233,411	1,413,780	118,900	1,766,091	943,329	639,710	183,052

Source: U.S. Agricultural Attache Reports, FAS/USDA.

1/ Marketing Year July-June with the exception of France (August-July), Brazil (May-April), Mexico (March-February) and Turkey (September-August).

2/ 28-30 Percent TSS Basis.

F= Forecast

**Table 4: United States Exports
Canned Tomatoes, Ketchup, Tomato Paste and Sauce 1/**

Commodity/ Destination	1996/97	1997/98	1998/99	1999/00	July-April 1999/00	July-April 2000/01
Metric Tons						
Canned Tomatoes						
Canada	22,908	24,320	20,736	28,052	23,928	27,146
Japan	11,272	1,947	13,055	11,195	9,427	2,155
Korea; Republic of	2,181	382	1,430	776	639	674
Mexico	1,052	6,293	954	1,512	1,188	3,145
Australia	410	257	516	124	124	69
Other	7,908	4,398	2,587	4,569	2,592	7,500
Total	45,731	37,597	39,278	46,228	37,898	40,689
Ketchup						
Japan	9,844	9,374	8,876	6,298	5,183	4,924
Canada	4,890	6,771	5,167	5,879	4,746	6,637
Mexico	4,842	4,223	4,201	7,183	5,790	6,255
Brazil	430	417	4,035	939	871	71
Hong Kong	4,641	3,458	3,474	3,622	2,934	1,941
Israel	638	1,371	2,171	1,295	1,073	1,569
United Kingdom	1,790	334	1,725	1,651	1,651	216
Netherlands Antilles	788	649	969	597	498	374
Saudi Arabia	1,230	1,240	923	1,156	1,029	951
Other	11,934	13,398	13,933	9,617	8,446	7,414
Total	40,487	40,294	44,644	38,237	31,913	30,352
Tomato Paste						
Canada	50,160	46,171	41,556	45,986	39,184	40,444
Japan	10,168	14,358	7,455	10,339	8,111	13,330
Dominican Republic	2,963	116	6,891	77	67	329
Korea; Republic of	7,502	10,634	5,472	6,423	5,523	6,710
Philippines	2,456	5,804	4,623	4,343	4,241	432
Mexico	5,195	5,307	3,768	7,188	6,693	11,061
Taiwan	1,239	1,839	2,058	1,819	1,639	645
Hong Kong	1,313	1,313	1,428	1,061	915	1,301
Haiti	3,631	3,247	1,183	2,097	1,837	400
Other	44,567	47,036	3,353	10,552	8,846	6,931
Total	129,194	135,825	77,787	89,885	77,056	81,583
Tomato Sauce						
Canada	52,721	63,686	71,206	69,507	60,277	54,243
Mexico	4,054	5,757	6,303	6,288	5,197	8,439
Japan	4,773	4,265	3,278	3,775	2,839	5,430
Saudi Arabia	954	1,441	1,917	806	645	1,131
Korea; Republic of	777	1,840	1,734	2,547	2,058	1,542
United Kingdom	1,776	1,586	1,489	3,487	2,705	3,583
Netherlands	1,243	1,250	1,201	1,496	1,374	1,243
Sweden	1,040	1,324	1,015	1,409	1,187	1,184
Other	9,166	11,122	10,209	16,687	14,413	15,705
Total	76,504	92,271	98,352	106,002	90,695	92,500

1/ Marketing Year (July-June). Source: U.S. Department of Commerce, Bureau of the Census.

**Table 5: United States Imports
Canned Tomatoes, Ketchup, Paste, and Sauce 1/**

Commodity/ Origin	1996/97	1997/98	1998/99	1999/00	July-April 1999/00	July-April 2000/01
Metric Tons						
Canned Tomatoes						
Italy	44,156	50,134	42,061	4,348	4,118	2,196
Israel	5,339	6,729	10,850	5,623	5,575	1,107
Canada	7,057	6,142	10,190	2,861	2,526	2,393
Spain	7,093	8,351	5,580	2,248	2,191	631
Chile	4,432	2,554	3,727	554	407	465
Turkey	1,111	515	142	322	281	52
Other	2,084	2,265	601	1,005	594	1,012
Total	71,272	76,690	73,151	16,961	15,692	7,856
Ketchup						
Canada	17,097	31,786	38,747	37,871	30,947	32,937
China, Peoples Rep.	0	0	222	380	306	359
Hong Kong	1	0	45	0	0	0
India	12	17	16	13	11	16
Japan	0	0	16	0	0	0
Other	22	11	18	50	34	74
Total	17,132	31,814	39,064	38,314	31,298	33,386
Tomato Paste						
Chile	648	491	27,358	2,348	2,029	562
Mexico	7,350	8,350	22,815	6,884	2,047	313
Peru	654	0	5,948	1,238	1,122	755
Israel	4,204	1,118	4,722	6,735	6,554	2,083
Italy	509	425	4,648	180	160	701
China, Peoples Rep.	0	0	4,265	3,363	3,187	4,252
Canada	387	149	1,635	97	97	14
Portugal	0	0	1,295	0	0	0
Turkey	214	63	1,282	324	278	311
Other	466	109	2,112	59	61	262
Total	14,432	10,705	76,080	21,228	15,535	9,253
Tomato Sauce						
Canada	4,975	5,385	5,636	6,036	5,501	7,124
France	0	0	3,016	0	0	0
Portugal	6	6	1,108	0	0	2
Dominican Republic	1,641	1,266	902	1,848	1,550	1,548
Italy	504	821	631	1,130	958	1,415
Mexico	254	69	186	2,868	1,836	2,183
Other	271	329	580	407	374	339
Total	7,651	7,876	12,059	12,289	10,219	12,611

1/ Marketing Year July-June. Source: U.S. Department of Commerce, Bureau of the Census.